

HONOLULU ADVERTISER (HI)
15 May 1984

Kindschi: Rewald firm not CIA idea

Third of a series

By Walter Wright
Advertiser Staff Writer

John C. "Jack" Kindschi has been accused of setting up Bishop Baldwin Rewald Dillingham & Wong for the CIA.

The idea, Kindschi says, is "grotesque and outlandish."

The company was incorporated in October 1978, a month after Kindschi arrived to take over as CIA station chief in Honolulu. But Kindschi says the first he heard of the company was when Rewald told him one night he was moving his operation from the Amfac Building to Grosvenor Center and renaming it.

The Amfac Building had been the address of Rewald's CMI Investments, and two little trading companies which the CIA apparently used for commercial cover, Canadian Far East Trading Company and H & H Enterprises.

Rewald, Kindschi says, "said Bishop Baldwin used to be an old company and that he had talked with the owners, now retired. He said Baldwin was in California, an elderly man, and Randall Dillingham was an elderly gent in the Philippines who died."

James Bishop, Kindschi said, was supposed to be a distant relative of members of the old firm.

Rewald disputes Kindschi's account, saying Bishop Baldwin and CMI overlapped each other in time, that Bishop Baldwin was used initially abroad and that Kindschi "authorized" it after he arrived in Hawaii.

In July 1980, Kindschi retired from the CIA. Rewald suggests Kindschi never retired, but Kindschi insists "the CIA was the farthest thing from my mind. I thought I was on to bigger and better things."

Documents indicate that his successor as station chief, Jack Rardin, thereafter paid the phone bills for Canadian Far East Trading Corp. which Kindschi had been paying.

Kindschi says \$120 he received from Bishop Baldwin in February 1980, months before he retired, was for some coin appraisals he offered to do. The next Bishop Baldwin payment to Kindschi doesn't appear on the books until April 1981. Overall, he received over \$68,000 during more than two years.

Kindschi said he researched an immigration problem, put out Bishop Baldwin's quarterly economic report, and worked on some company brochures — including those which suggested the firm had been around for a long time and had done work for the government and White House. Kindschi says he believed Rewald about an old-time predecessor company and about work for the government.

Kindschi also edited the company's "Capital Flight from Hong Kong" study, which he criticized as unoriginal. But Rewald was "proud as a peacock" and claimed Gov. George Ariyoshi had ordered the report for \$230,000, Kindschi said.

How could many other people have gotten the impression that the CIA was deeply

involved with Bishop Baldwin and Kindschi not have gotten wind of such claims?

"Incredible," Kindschi concedes. But he says he wasn't around, went to the office only 25 times in three years and knew few of the other consultants and investors.

Kindschi says Rewald didn't tell him that Bishop Baldwin was doing any CIA business. "He never asked me about my business and I never asked him about his business," Kindschi says if he had heard of CIA stories getting around, true or false, he would have alerted the agency himself.

Kindschi says at one point he jumped to the conclusion that Rewald was collecting intelligence for Gen. Arnold Braswell, then commander in chief of Pacific Air Forces. Braswell, who had considered working for Rewald after his retirement, now says he lost more than \$100,000 to the firm.

"I said, 'Don't get yourself in bed with the military or the government, because you've got a responsibility to the investors,'" Kindschi said.

But didn't Jack Kindschi have some impression of what Rewald's actual relationship with the CIA — whatever it might have been — was, even after he retired?

"Well, yeah," Kindschi responds, "I may have had an impression," but he indicates it was nothing like the scenario which has been laid out by Rewald and his friends — stories of arms deals, stolen plans, disinformation campaigns and "shadow houses."

"You know," says Kindschi, "I've never even heard of a 'shadow house' or a 'real house,' although I've been in this business for years." Those terms were used by KITV reporter Larry Price, who Kindschi says has been duped by Rewald.

Kindschi was particularly upset when Price reported that Kindschi had said he would lie under oath if a truthful answer would reveal Rewald was a covert agent. (Price says he won't accept anything Rewald says at face value, but puts faith in "court documents" shown him by Rewald attorney Robert Smith, specifically a transcript of Smith quoting Kindschi from memory several months earlier.)

Kindschi says he may not answer questions about the CIA, but will not lie.

The Advertiser showed Kindschi a copy of a nine-page letter addressed to Kindschi by Rewald on Jan. 8, 1979, regarding Rewald's recent trip to China. Kindschi glanced at the letter and muttered that such material "would have gone into the round file" at the CIA office.

The rambling letter talks about a factory

Continued

tour, conversations with students, the weather, politics, tourism, business deals, inflation, Taiwan relations and military pacts. It is the kind of thing the CIA sucks up from travelers routinely — some of it volunteered, some of it requested.

Kindschi says he has yet to see a classified document revealed in the Rewald affair, and has seen some faked ones shown on television.

After the company collapsed, Kindschi said, he concluded Rewald had given others an inflated view of his CIA connections.

"When Ron attempted suicide, Robert Jinks called me and asked if I could come to the Hilton Lagoon where Ron had an apartment. Jinks and another consultant from (the firm's office in) Napa were there. He was wringing his hands, and said he wanted to know whether or not he was a CIA agent.

"Why?" I asked. And he said, 'Ron had us sign a secrecy agreement.'

"I said, 'Gentlemen, I can tell you right now, you are not working for the CIA because Ronald Rewald had no authority to sign anyone. He was not an intelligence

officer.'"

Jinks has since sued the CIA for millions, claiming he is an agent and that the CIA misled him or allowed Rewald to do so.

Says Kindschi: "Ask Rewald how he could be a covert agent when he tells everyone he is a covert agent. It just doesn't make sense."

The question was put to Rewald. "Who did I tell?" Rewald demanded.

A letter on Bishop Baldwin stationery, dated Dec. 12, 1980, addressed to Jinks, says, in part:

"I had dinner last night with the new director of the CIA and he has several exciting new projects for us after the first of the year. I am certain that if you want, you can get involved in at least one or two of these projects. However, they would require some travel on your part and a good deal of time in briefings first. Maybe you and I can discuss this next time I'm through California, which should be the latter part of January."

The letter is signed: "In the Lord's care, Ron."

Continued